

Central Intelligence Agency



Washington, D.C. 20505

OLL #84-1841

Mr. James M. Frey
Assistant Director for Legislative Reference
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Frey:

This is in response to your request for the views of the Director of Central Intelligence on the Department of Commerce report on H.R. 5155, the "Land Remote Sensing Commercialization Act of 1984." On behalf of the Intelligence Community, the Director objects to the Commerce report unless it is modified consistent with the comments provided below.

At the outset, we note that the Commerce report is addressed to the Chairman of the relevant House Subcommittee. As H.R. 5155 has already passed the House, we believe that the letter should be addressed to Senator Gorton, the Chairman of the Subcommittee on Science, Technology and Space of the Senate Committee on Commerce, Science and Transportation.

Concerning the substance of the Commerce report, we believe that the report should seek clarification of the definition of "nondiscriminatory basis" to ensure that this term is interpreted in accordance with section 606. In this regard, section 104(3)(A) should be modified by adding the following new sentence: "Preferences or special arrangements that are required by the conditions established pursuant to section 606 to meet the national security concerns or the international obligations of the United States shall be deemed non-discriminatory."

We disagree with the position taken by Commerce on page 5 of their letter that section 302(b)(6) be deleted. This section prohibits any contract provision that requires a guaranteed data purchase by the Federal Government. Both of the other Landsat commercialization bills, H.R. 4836 and S. 2292, contain a similar provision. We don't believe that the utility of deleting this provision has been demonstrated or that it is wise policy to take such action without an assessment of the impact on user agencies. Consequently, we

strongly recommend the retention of the H.R. 5155 prohibition against any guaranteed data purchase.

Finally, we note that the technical comments attached to the Commerce letter correlate with S. 2292 and not with H.R. 5155. We would nonetheless object to the provision of these comments on S. 2292 as the definitive Administration position on that bill unless our comments on S. 2292, contained in a letter previously submitted to your office on 16 March 1984, are incorporated. A copy of our previous comments are enclosed for your convenience.

We appreciate very much the opportunity to review the Commerce letter.

Sincerely,



Deputy Director, Office of Legislative Liaison

Enclosure

Distribution:

Orig. - Addressee
1 - OLL Chrono
1 - LEG File: Space Policy (H.R. 5155)
1 - ROD Signer
1 - D/OLL
1 - DD/OLL

OLL:ROD:dpt (8 May 84)





Washington, D.C. 20505

16 MAR 1984

Mr. James M. Frey
Assistant Director for Legislative Reference
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Frey:

Enclosed at Tab A is a letter to Representative James H. Scheuer, Chairman, Subcommittee on Natural Resources, Agriculture Research and Environment, providing the views of the Central Intelligence Agency on H.R. 4836, the "Land Remote-Sensing Commercialization Act of 1984." Your advice is requested whether there is any objection to the submission of this letter from the standpoint of the President's program.

Also enclosed at Tab B is a letter to Senator Slade Gorton, Chairman, Subcommittee on Science, Technology and Space, providing the views of the Central Intelligence Agency on S. 2292, the companion bill to H.R. 4836, the "Land Remote Sensing Satellite Communications Act of 1984." Again, your advice is requested whether there is any objection to the submission of this letter from the standpoint of the President's program.

If I can provide additional information to expedite clearances of the Agency's responses, please do not hesitate to contact me or

Sincerely,

/s/ Clair E. George

Clair E. George
Director, Office of Legislative Liaison

Enclosures



Washington, D.C. 20505

The Honorable James H. Scheuer
Chairman
Subcommittee on Natural Resources,
Agriculture Research and Environment
Committee on Science and Technology
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

On behalf of the Director of Central Intelligence, I would like to express support for the comments of the Department of Defense (DOD) on H.R. 4836, the "Land Remote-Sensing Commercialization Act of 1984." We support those DOD comments that propose changes to this bill to ensure that the DOD and the Department of State retain the authority to establish conditions concerning national security and international legal obligations, respectively. A list of the pertinent DOD suggested changes is enclosed.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

I appreciate the opportunity to comment on this matter.

Sincerely,

Clair E. George
Director, Office of Legislative Liaison

Enclosure

Section 104, para 3(A). Add the following sentence:

"Preferences or special arrangements that are required by the conditions established pursuant to section 606 to meet the national security concerns or the international obligations of the United States shall be deemed non-discriminatory."

Delete 402(b)(1). Substitute the following:

"The system shall be operated in compliance with the conditions established pursuant to section 606 to meet the international obligations and national security concerns of the United States."

Section 403(d). Before "international" add "conditions established pursuant to section 606 to meet the"...

Section 606.

606(a). Add the following sentence:

The Secretary of Defense shall determine those conditions necessary to impose on any system operator to meet national security concerns of the United States.

606(b)(1). Add the following sentence:

The Secretary of State shall determine those conditions necessary to impose on any system operator to meet international obligations of the United States.

606(c)(1). Delete entire paragraph.



Washington, D.C. 20305

The Honorable Slade Gorton

**Chairman
Subcommittee on Science, Technology and Space
Committee on Commerce, Science and Transportation
United States Senate
Washington, D.C. 20510**

Dear Mr. Chairman:

On behalf of the Director of Central Intelligence, I would like to provide you with our comments on S. 2292, the "Land Remote Sensing Satellite Communications Act of 1984."

As you know, hearings have been held on a companion to S. 2292 in the House, H.R. 4836. In the course of these hearings, the Department of Defense (DOD) proposed important changes to H.R. 4836 that would ensure that DOD and the Department of State retain the authority to establish conditions concerning national security and international legal obligations, respectively.

I believe that amendments similar to those DOD changes to H.R. 4836 should be made to S. 2292. Consequently, I recommend that the enclosed list of amendments be made to S. 2292.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

I appreciate the opportunity to comment on this bill.

Sincerely,

**Clair E. George
Director, Office of Legislative Liaison**

Enclosure

Section 103(2)

Add at the end of 103(2), after subsection (c), the following sentence:

Preferences or special arrangements that are required by the conditions established pursuant to section 606 to meet the national security concerns or the international obligations of the United States shall be deemed to be non-discriminatory.

Section 402

402(b). Add a new subsection (6):

(6) the entity seeking to obtain the license agrees to comply with the conditions established pursuant to section 606 to meet national security concerns and international obligations of the United States.

402(c)(1). After "agencies" add the following:

"and consistent with the conditions developed under section 606,"...

Section 606

606(a). Add the following at the end:

The Secretary of Defense shall determine those conditions which are necessary to impose on any system operator to meet the national security concerns of the United States.

606(b). Add the following at the end:

The Secretary of State shall determine those conditions which are necessary to impose on any system operator to meet the international obligations of the United States.